

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1959 - HB 2315

February 9, 2022

SUMMARY OF BILL: Enacts the *Tennessee Natural Gas Innovation Act*. Provides that a public utility may establish a mechanism to recover certain costs, upon approval from the Tennessee Public Utility Commission (TPUC).

FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- The proposed legislation is applicable to public utilities as defined by Tenn. Code Ann. § 65-4-101(6), which does not include state or locally owned utilities.
- According to information provided by TPUC, any cost due to the proposed cost recovery mechanism can be absorbed within existing resources; therefore, any fiscal impact to state and local government is estimated to be not significant.

IMPACT TO COMMERCE:

Other Fiscal Impact – Public utilities may experience an increase in revenue, the timing and extent of which cannot reasonably be determined. No significant impact to jobs in Tennessee.

Assumptions:

- The proposed language would authorize public utilities to request approval of cost recovery mechanisms related to the use or development of infrastructure to facilitate use of innovative natural gas resources for natural gas utility customers.
- According to information provided by TPUC, there are six local distribution companies that would be eligible to request such a cost recovery mechanism.
- To the extent a public utility's request for a cost recovery mechanism is approved by TPUC, it will result in an increase in public utility revenue; however, the timing and extent of any increase in revenue cannot be determined.
- Any impact to jobs in Tennessee is estimated to be not significant.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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